

Charity Registration No. SC039443 (Scotland)

Company Registration No. SC338213 (Scotland)

**VALLEY RENEWABLES GROUP**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

SC039443

Charity number (Scotland)

SC338213

Company number

Registered office and principal address

Canon Bridge

Denby

FK8 5LL

Driv Parkhill CA

Independent examiner

French Dancer LLP

Machons Quay House

Deacons Business Park

Springbank Road

Gilling

Scotland

FK1 7WT

# VALLEY RENEWABLES GROUP

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**

Miss M Porter  
Mr I B Macfarlane  
Mr D McAlpine  
Miss B Wilson  
Mr D P Sparkes  
Mr R J Ferguson  
Dr I T Tabner  
Mr N D Sinclair

**Secretary**

Miss B Wilson

**Charity number (Scotland)**

SC039443

**Company number**

SC338213

**Registered office and principal address**

2 Buckieburn  
Carron Bridge  
Denny  
FK6 5JJ

**Independent examiner**

Drew Pankhurst CA  
French Duncan LLP  
Macfarlane Gray House  
Castle Craig Business Park  
Springbank Road  
Stirling  
Scotland  
FK7 7WT

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# VALLEY RENEWABLES GROUP

## CONTENTS

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	<b>Page</b>
Trustees' report	1 - 7
Independent examiner's report	8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 - 18

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# VALLEY RENEWABLES GROUP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 30 JUNE 2019

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The trustees present their report and financial statements for the year ended 30 June 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

#### **Objectives and activities**

##### **Objectives and aims**

The aims of VRG are the advancement of community development; environmental protection, improvement and education; the provision of community or recreational facilities, or the organisation of community or recreational activities, or any other purpose that may be reasonably regarded as analogous to any of the preceding, all with the objective of improving the quality of rural living for the community we serve.

The Charity is the Development Trust for the Carron Valley and District Community and applies its funds specifically to households and community groups within the community council area. It negotiates community benefit with prospective wind farm operators and receives community benefit funds from the operators. It makes a wide range of grants to individuals and organisations and carries out activities and services itself within its community.

# VALLEY RENEWABLES GROUP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### Achievements and performance

#### Restricted Funds

During the accounting year, the charity, supported by the Community Council, accepted the transfer of community benefit payments from Earlsburn and Kingsburn wind farms operated by Falck and distributed on their behalf by Foundation Scotland. The funds transferred to VRG during the 2018/19 financial year were for Earlsburn £42,178.10 (two payments) and for Kingsburn £71,187.84 (three payments from Foundation Scotland have fallen within the 2018/19 FY). These funds are restricted to community wide projects, where any expenditure must have approval from the Community Council and Foundation Scotland.

With the agreement of the Community Council and Foundation Scotland a budget of £131,000 over three financial years (2019 - 2022) has been committed to development work at the Community Woodland and £15,500 per annum towards its running costs.

£150,313.00 had been lodged in an interest bearing Charities fixed term deposit account with the Bank of Scotland. This has now matured and we are discussing with the Community Council and Foundation Scotland a proposal to transfer this and another matured fixed term deposit into an investment account with the prospect of creating a long term financial legacy for our community.

#### Unrestricted Funds

The charity directly received payments of £52,124.54 in community benefit from Craigengelt wind farm operated by Scotia Windfarms. This fund is unrestricted and is applied to finance the various small grant schemes, administration and community activities. With this fund, the charity has also built up a substantial balance of funds, which has been invested in a fixed term deposit account. The future of this balance will be considered with the Restricted Fund balance as part of a long term investment strategy.

We have prepared a draft financial strategy to guide and inform the distribution and investment of funds in the short and longer term, and to ensure we also leave a long term financial legacy for future generations. We are also proposing to shift the community wide aspects of our expenditure - general administration, administrative support and the annual Open Day from the Unrestricted to the Restricted funds, These proposals will be considered by the Community Council and the VRG Board at their September meetings and by the AGM in November 2019.

### Other Activities

#### Small Grant Schemes

The VRG 2019/22 Strategy was approved at the November 2018 AGM and is the basis for our delivery activities and the distribution of funds. The new strategy consolidates the work we have done to date on income distribution, but also shifts the emphasis from projects led by VRG Board members to projects led by groups from within the community supported by Board members and reporting to the VRG Board.

During the 2017-18 financial year the charity has continued its successful Small Grant Scheme for household energy efficiency and self-sufficiency improvements; it continues to promote a Young Persons Grant Scheme to assist those aged between 7 and 25 with training, equipment, travel, education and environmental projects. A Student Bursary Scheme is operational for those in full-time education, training or apprenticeships. There were 18 Household Small Grants (maximum £500 per application); 12 Young Person's Small Grants (maximum £250) and both still, within reason, permit an unrestricted number of applications per household. There were 7 student bursaries (£500 per year for the duration of the course).

A full review of the scope of the Small Grant Schemes has been completed as part of our strategy review. This has refined the terms and conditions for grant applications and set up a sub-group of Directors to determine applications. Two new grant schemes offering up to £5,000, and over £5,000 for larger projects, is aimed at groups within the community. The first project, at an early stage of development, is for a community wide orchard. Current expenditure on all the grant schemes was £15,957.20 for the 2018/19 financial year.

# VALLEY RENEWABLES GROUP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### Community Open Day

We organise and fund a Community Open Day each year at the end of August. This was held on Saturday 24th August and for a fifth year at Craighend Farm. The day was warm and sunny, and attracted a large turnout. There was a full programme of talks, demonstrations, with stalls staffed by environmental charities, local producers and local groups. This year's event attracted over 200 people of all ages (from a community of 320) and was a big success. It has become a well-supported and established annual community event. The cost of the 2018 Open Day was £4,248.50.

### Mobile Phone and Broadband Services

There has been some significant progress in improving mobile phone and Broadband delivery within the community. EE upgraded their mobile service in the Carron Valley and Briskona has extended its wireless coverage. More households now have 4G mobile coverage which can give improved access to Broadband. However, there are still a large number of households who do not have effective mobile or Broadband, and the services to many are well below acceptable standards for modern living.

With the Community Council, we intend to continue lobbying for super fast fibre to all households in our area. There has been a suggestion that BT may extend its fibre network by replacing copper with fibre on its poles. We shall be working with Stirling Council's Broadband Officer in an effort to deliver a super fast service for all our households and we retain funds to support infrastructure improvements when the way forward for these becomes clear.

### Community Woodland and Community Base Project

In summer 2018 we were successful in our application to the Community Asset Transfer Scheme operated by Forest Enterprise Scotland for the purchase 51 acres of woodland at the entrance to the Carron Valley Forest. A grant of £130,000 was provided by the Scottish Land Fund; £96,000 towards the cost of the land and £34,000 in revenue support for two years to provide for a woodland manager and to assist with our set up costs. The Community Council and VRG Board, and with agreement from Foundation Scotland, also approved expenditure of £131,000 over three years for development of the community woodland and £15,500 per annum in revenue support for operating costs. This expenditure is from the 'Restricted Fund' that applies to community-wide projects.

We took entry to the Community Woodland in autumn 2018 and, with the support of the recently appointed part-time woodland manager and community volunteers, we have embarked on a programme of work to provide 'access for all', to increase habitat diversity, to improve management and productivity of the woodland. We held a launch event in May to celebrate the official opening of the Community Woodland, attended by over 30 local folk. Volunteer work days have followed each month during the summer. In the first year we have established our base cabin, a detailed management plan, cleared windblown trees for wood fuel, completed the formation of a large new pond, cleared many acres of young Sitka Spruce and replaced this with over 5,500 broadleaved trees. Next year will see the start to the creation of footpaths, boardwalks, wildlife boxes and observation hides.

Now that we have the Community Woodland site, and as part of our Development Strategy review, we shall be revisiting the Community Base project to agree the best way and time to move forward.

### Howietoun Fishery

The Community Council supported by VRG had been in negotiation with the University of Stirling on the future of the Howietoun Fishery and Mill. Until its closure, the mill building had been available to the community for meetings and events. This year the site was sold into private ownership. We have expressed our interest in engaging with the new owner to assist with the long term use and conservation of this important site.

### Archaeological Work

Archaeological work was completed in 2018 at Sir John de Graham's Castle and the Kirk o'Muir graveyard. The background history of the sites was described by archaeologists during the 2018 Community Open Day. The findings revealed both sites as having more complex histories than previously thought and we are considering how best to interpret and promote the history of both sites, and how to connect these to the adjacent Community Woodland and Base.

# VALLEY RENEWABLES GROUP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### Financial Planning

The Board is mindful that community benefit from wind farm operators is potentially a time limited source of community funding. We are investigating the options for investing capital, within the lifespan of the community benefit funds, in a long term investment fund. The preliminary work on an investment strategy has been completed and will be reported to the Community Council and VRG Board. We expect to produce our first Financial and Investment Plan for approval at the November 2019 AGM.

### Community Newsletter and VRG Website

VRG and the Community Council continue to produce three newsletters a year that are circulated to all homes in the community. These provide households with regular updates on the work of the Development Trust and the Community Council. Our website carries details of all our activities, the small grant schemes, updates on the Community Woodland and Base project, the archaeological investigations, annual accounts, newsletters, and the bulk buying scheme for fuel. We employ a part time administrative assistant to help support and service our activities. The Web address is ([www.valleyrenewables.co.uk](http://www.valleyrenewables.co.uk))

### VRG Subgroups

The 2019-22 Strategy proposes a significant change of direction for organisation of our activities with a move towards subgroups supported by community members as a means of extending our reach and inclusiveness. We now have subgroups led by VRG with community members for the Open Day, the Community Woodland, the Grant Schemes, governance and compliance, investment strategy, communications and for a future Development Officer.

### Financial review

The Charity is holding reserves of over £130,000 in its bank current account at the 30th June 2019, and considers this appropriate to allow it to respond promptly to grant application and community activity payments and for funding its own administration. The charity has been seeking improved savings arrangements for its reserves. Its two fixed term deposit accounts have now matured. Falling interest rates and rising inflation rates make fixed term deposits very unattractive as a means of safeguarding our assets. We are exploring other investment vehicles for our long term savings, recognising that these may inevitably come with some risk. Exposure to risk and management of these funds is being very carefully considered before recommending a way forward. The total assets under VRG management at the end of the financial year were £619,137.

### Structure, governance and management

#### Governing Document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The trust was recognised as a Scottish charity with effect from 20th March 2008. The trust is administered in accordance with the Trust Deed set out in the Memorandum and Articles of Association dated 13th February 2008, now superseded by adoption of the new Articles of Association at the General Meeting held on Thursday 21st March 2019.

#### Amendment to the Articles of Association

During the last year we have amended our Articles of Association to bring these into line with Scottish Government best practice. These amendments were approved at General Meeting held in March 2019. The changes were essential to comply with Community Right to Buy legislation and to ensure our future eligibility to interact with larger projects and external funding parties. Our charitable status, structure, aims and objectives remain unchanged.

The trustees, who are also the directors for the purpose of company law, and who served during the year and since the year end were as follows:

Miss M Porter

Mr I B Macfarlane

Mr D McAlpine

Miss B Wilson

Mr D P Sparkes

Mr R J Ferguson

# VALLEY RENEWABLES GROUP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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Dr I T Tabner

Mrs E M Crawford

Mr N D Sinclair

(Resigned 3 November 2018)

### Recruitment and Appointment of Trustees

There were eight Trustees out of a maximum of nine at the year end. There were changes to the named trustees during the year. Mrs Evelyn Crawford resigned for family reasons and has not yet been replaced. She continues to support the work of the Board through membership of the Open Day subcommittee and as host for the Open Day at Craigend Farm.

### Induction and Training of New Trustees

All new Trustees are given, in the view of the Board, sufficient training and have enough knowledge of their specific field to understand the role, operation and management of the charity. They are made fully aware of their legal and professional responsibilities under charity and company law. Before each Board meeting Trustees are reminded that they are required to declare any conflict of interest with an agenda item and for this to be minuted. The Secretary holds details of those Directors who have benefitted from successful applications to the Small Grant Scheme fund in the current financial year.

### Organisational Structure

The Board of Trustees, in accordance with the governance document, must have at least four Trustees and no more than nine serving at any one time. From this number, the Chair, Secretary and Treasurer are appointed each year at the AGM. For the 2018/19 financial year, the Chair has been Margaret Porter; the Secretary, Barbara Wilson and the Treasurer, Robert Ferguson.

The full Board meets monthly (excepting July), its deliberations are minuted and this record is retained by the Secretary. There is a written report of financial transactions for each monthly meeting provided by the Treasurer and appended to the minutes. The bank statements are tabled for inspection at each monthly Board meeting. Subgroups are appointed as and when required to carry out external meetings and to undertake research work, reporting back to the main Board. In the last year there have been subgroups for the Community Base and for the Community Open Day. A larger subgroup has been formed with four VRG Directors and two community members to guide and deliver the Community Woodland project with support from the part time woodland manager. Further subgroups have been formed for the Grant Schemes, governance and compliance, investment strategy, communications and for a future Development Officer.

The Development Strategy for the 2019-22 period has been approved and forms the basis for the Board's policies and programme. Copies were circulated to all households in the community.

# VALLEY RENEWABLES GROUP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### Professional Advice

We have reappointed French Duncan LLP, to carry out independent preparation and examination of our accounts. They are experienced in the Charity Sector and this has been of continuing benefit in our activities, most recently advising on the enhanced reporting required under the Charities Act - the new Statement of Recommended Practice (SORP 2015) and also the new Financial Reporting Standard (FRS 102). We shall be taking professional advice from French Duncan and others before committing to our emerging long term investment strategy.

We take legal advice from Burness Paull Solicitors, Glasgow who are recognised specialists in both the charities sector and in dealing with communities and wind farms operators. They have been advising on changes to our Articles of Association to bring these in line with current Scottish Government guidance. This work was completed in January 2019 and the new Articles of Association approved at a General Meeting on 21st March 2019. The new Articles of Association were operative from that date.

VRG is a full member of the Development Trusts Association Scotland, the community led regeneration network, and we receive useful information from them with the opportunity to attend their events and workshops. They are available to answer queries that we may have as a community development trust. We have also joined the Community Woodland Association who have provided advice on operating our Community Woodland.

VRG is represented at meeting of members of the Stirlingshire Development Trust Association and this is of continuing benefit in the discussion of common local issues. We are also members of Stirlingshire Historic Graveyards Association for our work at the Kirk o' Muir graveyard.

### Small Company Exemption

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2016 relating to small companies.

### Statement of trustees' responsibilities

The trustees, who are also the directors of Valley Renewables Group for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

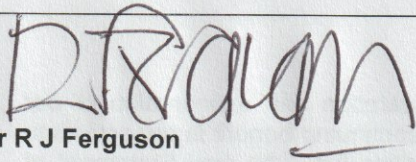
The trustees' report was approved by the Board of Trustees.

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# VALLEY RENEWABLES GROUP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019



Mr R J Ferguson

Trustee

Dated: 25 September 2019

# VALLEY RENEWABLES GROUP

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF VALLEY RENEWABLES GROUP

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I report on the financial statements of the charity for the year ended 30 June 2019, which are set out on pages 9 to 18.

### Respective responsibilities of trustees and examiner

The charity's trustees, who are also the directors of Valley Renewables Group for the purposes of company law, are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

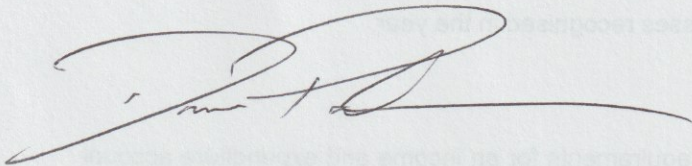
### Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the financial statements.

### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Drew Pankhurst CA  
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Springbank Road  
Stirling  
FK7 7WT  
Scotland

Dated: 25 September 2019

# VALLEY RENEWABLES GROUP

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<b>Income from:</b>					
Donations and legacies	2	53,504	228,367	281,871	51,074
Charitable activities	3	-	-	-	9,650
Investments	4	2,138	-	2,138	2,355
<b>Total income</b>		<b>55,642</b>	<b>228,367</b>	<b>284,009</b>	<b>63,079</b>
<b>Expenditure on:</b>					
Raising funds	5	-	-	-	4,024
Charitable activities	6	30,884	20,780	51,664	31,406
<b>Total resources expended</b>		<b>30,884</b>	<b>20,780</b>	<b>51,664</b>	<b>35,430</b>
<b>Net income for the year/ Net movement in funds</b>		<b>24,758</b>	<b>207,587</b>	<b>232,345</b>	<b>27,649</b>
Fund balances at 1 July 2018		253,677	130,367	384,044	356,395
<b>Fund balances at 30 June 2019</b>		<b>278,435</b>	<b>337,954</b>	<b>616,389</b>	<b>384,044</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# VALLEY RENEWABLES GROUP

## BALANCE SHEET

AS AT 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	9		141,644		-
<b>Current assets</b>					
Debtors	10	17,127		14,020	
Cash at bank and in hand		460,366		371,212	
		<u>477,493</u>		<u>385,232</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,748)</u>		<u>(1,188)</u>	
Net current assets			474,745		384,044
<b>Total assets less current liabilities</b>			<u>616,389</u>		<u>384,044</u>
<b>Income funds</b>					
Restricted funds	12	337,954		130,367	
Unrestricted funds		278,435		253,677	
		<u>616,389</u>		<u>384,044</u>	

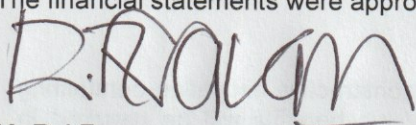
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2019.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 25 September 2019



Mr R J Ferguson  
Trustee

Company Registration No. SC338213

# VALLEY RENEWABLES GROUP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

#### Charity information

Valley Renewables Group is a private company limited by guarantee incorporated in Scotland. The registered office is 2 Buckieburn, Carron Bridge, Denny, FK6 5JJ.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year in which they accrue and are treated as restricted funds.

#### 1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under heading that aggregate all cost related to the category. Where cost cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities expenditure comprises those costs incurred by the Charity in meeting its charitable purpose: the provision of services.

# VALLEY RENEWABLES GROUP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 1 Accounting policies

(Continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The land and buildings cost comprises of the purchase price, professional fees and the costs incurred to prepare the land for its charitable purposes.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Straight line over 50 years
Fixtures and fittings	20% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# VALLEY RENEWABLES GROUP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Distributions	52,440	-	52,440	51,068
Grants	-	228,367	228,367	-
Membership fees	12	-	12	6
Other	1,052	-	1,052	-
	<u>53,504</u>	<u>228,367</u>	<u>281,871</u>	<u>51,074</u>
<b>For the year ended 30 June 2018</b>	<u>51,074</u>	<u>-</u>	<u>-</u>	<u>51,074</u>
<b>Grants receivable for core activities</b>				
Foundation Scotland (Falck Renewables Earsburn)	-	42,178	42,178	-
Foundation Scotland (Kingsburn Wind Energy Ltd)	-	71,189	71,189	-
Scottish Government (Scottish Land Fund)	-	115,000	115,000	-
	<u>-</u>	<u>228,367</u>	<u>228,367</u>	<u>-</u>

Windfarm payments are received half yearly in arrears at the end of March and September. It should be noted that residents in the Carron Valley Community now only pay a one off £3 when resident, this enables them to received VRG communications and to be able to vote at the AGM and become a director.

### 3 Charitable activities

	2019	2018
	£	£
Performance related grants	-	9,650
	<u>-</u>	<u>9,650</u>
Analysis by fund		
Restricted funds	-	9,650
	<u>-</u>	<u>9,650</u>
<b>Performance related grants</b>		
Heritage Lottery Fund	-	9,650
Other	-	-
	<u>-</u>	<u>9,650</u>

# VALLEY RENEWABLES GROUP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 4 Investments

	Unrestricted funds	Total
	2019	2018
	£	£
Interest receivable	2,138	2,355
	<u>2,138</u>	<u>2,355</u>

### 5 Raising funds

	Unrestricted funds	Total
	2019	2018
	£	£
<u>Fundraising and publicity</u>		
Support costs	-	2,055
<u>Trading costs</u>		
Support costs	-	1,969
	<u>-</u>	<u>4,024</u>

# VALLEY RENEWABLES GROUP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 6 Charitable activities

	2019 £	2018 £
VRG Grant scheme	15,957	14,709
Open Day	4,249	5,137
Community Woodland Project	18,326	350
Archaeological expenses	-	11,210
	<u>38,532</u>	<u>31,406</u>
Share of support costs (see note 7)	6,663	-
Share of governance costs (see note 7)	6,469	-
	<u>51,664</u>	<u>31,406</u>
<b>Analysis by fund</b>		
Unrestricted funds	30,884	
Restricted funds	20,780	
	<u>51,664</u>	
<b>For the year ended 30 June 2018</b>		
Unrestricted funds		21,756
Restricted funds		9,650
		<u>31,406</u>

# VALLEY RENEWABLES GROUP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 7 Support costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Depreciation	3,942	-	3,942	-
Postage and stationery	1,146	-	1,146	779
Sundries	91	-	91	204
Administrative support	1,274	-	1,274	1,022
Website costs	48	-	48	50
Premises costs	162	-	162	-
Accountancy	-	1,224	1,224	1,376
Legal and professional fees	-	4,703	4,703	593
Board meeting and AGM expenses	-	518	518	-
Trustee expenses	-	24	24	-
	<u>6,663</u>	<u>6,469</u>	<u>13,132</u>	<u>4,024</u>
Analysed between				
Fundraising	-	-	-	2,055
Trading	-	-	-	1,969
Charitable activities	6,663	6,469	13,132	-
	<u>6,663</u>	<u>6,469</u>	<u>13,132</u>	<u>4,024</u>

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 1 of them was reimbursed a total of £24 travelling expenses (2018- 0 were reimbursed £0).

### 9 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
<b>Cost</b>			
Additions	139,863	5,723	145,586
At 30 June 2019	<u>139,863</u>	<u>5,723</u>	<u>145,586</u>
<b>Depreciation and impairment</b>			
Depreciation charged in the year	2,797	1,145	3,942
At 30 June 2019	<u>2,797</u>	<u>1,145</u>	<u>3,942</u>
<b>Carrying amount</b>			
At 30 June 2019	<u>137,066</u>	<u>4,578</u>	<u>141,644</u>

# VALLEY RENEWABLES GROUP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 10 Debtors

	2019	2018
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	13,050	12,734
Prepayments and accrued income	4,077	1,286
	<u>17,127</u>	<u>14,020</u>

### 11 Creditors: amounts falling due within one year

	2019	2018
	£	£
Other creditors	2,748	1,188
	<u>2,748</u>	<u>1,188</u>

### 12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 30 June 2019
	Balance at 1 July 2018	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Foundation Scotland Earlsburn	110,420	42,178	-	(24,793)	127,805
Foundation Scotland Kingsburn	19,947	71,189	-	(24,793)	66,343
Community Woodland Capital Fund	-	96,000	(3,942)	49,586	141,644
Community Woodland Revenue Fund	-	19,000	(16,838)	-	2,162
	<u>130,367</u>	<u>228,367</u>	<u>(20,780)</u>	<u>-</u>	<u>337,954</u>

#### Foundation Scotland Kingsburn and Earlsburn Funds

These funds are received from Foundation Scotland on behalf of the wind farms operated by Falck. They are to support a range of charitable community projects that will benefit those living or visiting the Carron Valley area in consultation with VRG members and the wider Carron Valley. They therefore, cannot be spent on the VRG small grant scheme but can be spent on community wide projects like; Community Woodland and Community Base.

#### Heritage Lottery Fund

This funding must be spent on archaeological investigations and reporting at Sir John de Grahame's Castle and Kirk o'Muir graveyard.

#### Community Woodland Funds

The capital and revenue funds received income from the Scottish government, Scottish land fund. The grant funding is for the community woodland/base project, which involves; purchasing and developing land for use by the local community and creating a community hub.

The capital fund balance represents the NBV of the tangible fixed assets acquired and the expenditure is therefore; depreciation, profit/(loss) on disposal and impairment costs. This fund is supported by the Kingsburn and Earlsburn funds.

# VALLEY RENEWABLES GROUP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 12 Restricted funds

(Continued)

### 13 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Fund balances at 30 June 2019 are represented by:				
Tangible assets	-	141,644	141,644	-
Current assets/(liabilities)	278,435	196,310	474,745	384,044
	<u>278,435</u>	<u>337,954</u>	<u>616,389</u>	<u>384,044</u>

### 14 Related party transactions

For the year ending 30th June 2019, three individual Director households applied and received £500 for eligible small grants. One director household application for a small grant was withdrawn.